

State of New Mexico
Public School Capital Outlay Council

PSCOC Members

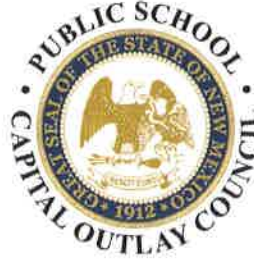
Joe Guillen, *NMSBA – Chair*
Charles Sallee, *LFC*
John Sena, *LESC*
Mariana Padilla, *PED*
Martin Romero, *CID*
Stewart Ingham, *PEC*
Nicholas Gonzales, *DFA*

Absent PSCOC Members

Shawna Casbier, *LCS*
Sara Mickelson, *OG*

Public School Facilities Authority

Iris Romero | Executive Director
Ryan Parks | Deputy Director of Capital Operations
Larry Tillotson | Deputy Director of Operations & Outreach



MEETING MINUTES SUMMARY

PSCOC Full Council Meeting
State Capitol Building, Room 321 – October 9, 2024

*Unofficial notes drafted for the convenience of subcommittee members and subject to revision at member request.
Please note that further details and information regarding the meeting can also be found in the eBook.*

I. Call to order – Joe Guillen, Chair

Chair, Mr. Joe Guillen, called the meeting to order at 9:07 A.M.

A. Approval of Agenda*

Chair Guillen asked if there were any changes to the agenda as presented; as there were no changes, Mr. Sallee moved to approve the motion and Ms. Padilla seconded the motion. The motion was unanimously approved.

B. Correspondence

No Correspondence.

II. Public Comment

No Public Comment occurred.

III. Finance

A. PSCOC Financial Plan

Mr. Matthew Schimmel (PSFA, Deputy Financial Officer) reviewed the key points of the executive summary, which highlighted the changes and updates to the Financial Plan since the last meeting. Mr. Schimmel provided an update on the construction funding request for the out year. Key points of the executive summary included out-of-cycle updates for several projects: Gallup Central High School (P23-001) with a design phase funding of \$3,204,031 and an updated out-year estimate increasing from \$13,340,694 to \$37,841,074; ALB Sign Language Academy (P23-006) with additional construction funding of \$2,715,477; and Harrison Middle School (P24-013) with a construction funding request of \$10,377,967.

Mr. Schimmel also discussed SSTB note changes, indicating that for FY25-FY27, the SSTB notes had been revised to conduct two bond sales over the next couple of fiscal years instead of selling at full capacity all at once. The timing for various projects has been adjusted for some future out-of-cycle funding requests due to factors such as design phase progress, district readiness/capacity, and timing of RFP release. Mr. Schimmel reviewed the additional notes and presented the financial plan updates, highlighting updates for the awards schedule modification and assumptions. No questions were raised by the Council.

IV. Consent Agenda*

All the Consent Agenda items were approved in a single motion.

A. September 11, 2024, PSCOC Meeting Minutes*

Council approval of the September 11, 2024, PSCOC Meeting Minutes.

B. Approval of FY25 FMP Assistance Awards*

Council approval of the FY25 Facilities Master Plan (FMP) assistance applications totaling a not-to-exceed state share amount of \$251,224.67 for the districts/schools listed below.

C. 2024 BDCP Cat2 Awards (Network Equipment)*

Council approval for Broadband Development and Connectivity Program (BDCP) awards of actual E-rate-approved project amounts to provide the state match for application funding year 2024 for Category 2 (Network Equipment) to eleven schools/districts for a total of \$141,175.42 up to the amounts listed in column O of the award spreadsheet attached as Exhibit A.

MOTION: Chair Guillen moved for Council approval of the Consent Agenda. As there was no opposition, the motion was unanimously approved.

APPROVED

V. Awards Cycle

A. FY25 Award Cycle Round 1 – Pre- Applications Received

Ms. Alyce Ramos (PSFA, Programs Manager) reviewed the pre-applications received for the FY25 Award Cycle Round 1, covering the key points from the executive summary. Questions were raised about the fire system replacement and whether it would affect eligibility for an award. Mr. Ingham also had questions about the ranking process and fire alarms. Ms. Padilla noted that she and Ruidoso Municipal Schools were in discussion about their housing situation, mentioning the need for the district and ineligibility for Teacher Housing. Mr. Sallee requested a school schedule from each application for space utilization purposes. Ms. Ramos asked what presentations would be helpful for November, suggesting a district presentation from Pre K, Standards, and Teacher Housing, but excluding Systems. The Council agreed with Ms. Ramos’ suggestion. The Council also requested for Staff to provide each district with guidance and a template for their presentations.

VI. Out-of-Cycle Awards

A. P23-006 Albuquerque Sign Language Academy - Additional Construction Funding*

Mr. Scott Ficklin (PSFA, Senior Project Manager) and Mr. Ryan Parks (PSFA, Deputy Director of Capital Operations) presented the motion for the Albuquerque Sign Language Academy's (ASLA) request for additional square footage and construction funding. The staff recommended participation in the additional funding and square footage. Key points included a previous local match reduction approval, a Kitchen Equipment grant reducing the requested funding by \$470,844, and escalated costs for various construction materials and labor. Items removed from the original project to stay within the initial budget were also highlighted, along with soft costs for consultants and contingency. Mr. Martinez and Mr. Ingham noted updates and value engineering, respectively. The request was presented and approved.

MOTION: Mr. Guillen moved to approve the Council approval to amend the current Standards-based award to the Albuquerque Sign Language Academy (ASLA) to include increase the maximum allowable gross square footage by 1,435 GSF for a total of 61,435 GSF and Additional Construction Phase funding totaling \$3,186,321 with a state match of \$2,715,477 and local match of \$470,844. There being no opposition, the motion was approved unanimously.

APPROVED

B. P21-004 Heizer MS (Hobbs) - Award Language Change*

Mr. Scott Ficklin (PSFA, Senior Projects Manager) presented the executive summary and the key points and noted the district's enrollment and the upcoming new middle school construction. Mr. Sallee reviewed the Subcommittee motion. Staff supported the increase in space for the project. The district requested an increase in design capacity to accommodate 775 students in a replacement facility totaling 125,630 GSF. Staff recommended approval for a facility totaling 96,789 GSF, per the GSF calculator. Key points included overcapacity issues at Highland and Houston Middle Schools, stable district enrollment despite downturns in the oil/gas industry, and anticipated enrollment growth from Pre-K-5th grade levels. PSFA staff supported the 775 design capacity based on current growth trends and future development in Hobbs. However, higher growth rates are needed to support this capacity for future middle school projects. The district planned to retain all three existing middle schools and build a fourth to balance enrollment. Ms. Sallee noted concerns about the increase, but Mr. Valdez's enrollment study deemed it appropriate. The Hobbs Heizer Middle School's request for increased capacity was discussed and approved.

<p>MOTION: Mr. Guillen moved to approve Council approval to amend the current Standards-based award language to Hobbs Municipal Schools for Heizer Middle School to include an increase in the design capacity by 135 students for a total of 775 students, grades 6- 8th, with a maximum allowable gross square footage of 96,789 GSF. No additional funding is needed at this time for the amended design capacity. Upon completion of the design phase work, the district may return to the PSCOC for out-of-cycle construction phase funding. There being no opposition, the motion was approved unanimously.</p>	<p>APPROVED</p>
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C. P23-001 Gallup Central HS (Gallup) - Award Language Change*

Mr. Sallee presented the motion and noted the extensive discussion with Gallup at the Subcommittee regarding utilization. The district requested an increase in design capacity to accommodate 470 students in a replacement facility totaling 70,007 GSF. Staff recommended approval of this increase. Key points included the district's desire to expand Gallup Central High School's scope to incorporate a Career Technical Education (CTE) Center, maintaining the existing alternative curriculum while offering core academics and online opportunities. The program will serve 389 CTE students and 81 Central Alternative students per session. A recent study indicated high demand for CTE electives, which this facility aims to meet. Although the Gross Square Footage Calculator suggests eligibility for 83,406 GSF, the unique scope of serving both CTE and Alternative students may not require the full GSF. Gallup Central High School's request to expand its scope to include CTE programs was discussed and approved.

<p>MOTION: Mr. Guillen moved to approve Council approval to amend the current Standards-based award language to Gallup-McKinley Schools for the Gallup Central HS to include an increase from 204 for total of 470 students, a 266 student increase grades 9-12th, with a maximum allowable gross square footage of 70,007 GSF with a state match of \$3,204,031 (82%) and a local match of \$703,324 (18%), totaling \$3,907,355. Upon completion of the design phase work, the district may return to the PSCOC for out-of-cycle construction phase funding. There being no opposition, the motion was approved unanimously.</p>	<p>APPROVED</p>
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D. P24-013 Harrison MS (APS) - Construction Funding Request*

Mr. Sallee presented the motion for APS Harrison Middle School's request for construction phase funding, and Mr. Ficklin (PSFA, Senior Projects Manager) provided further details from the executive summary. The district requested construction phase funding for the replacement of Harrison Middle School. Staff recommended participation in the requested funding. Key points included an award for a maximum of 71,120 GSF, with the current Phase 1 request totaling 48,996 GSF. The second or auxiliary gym, totaling 5,484 GSF, was noted as an above allowable cost for this phase. The remaining allowable gross square footage for Phase 2 would total to 22,124 GSF, with any excess considered above allowable. The Council would not fund the above allowable square footage. Mr. Parks (PSFA, Deputy Director of Capital Operations) provided a technical correction, noting that the school was being built to accommodate 740 students, but staff is recommending a lower capacity. This was highlighted in a handout and discussed further. Mr. Sallee acknowledged the dramatic assumption from the district. The motion was noted without opposition. The request was presented and approved.

MOTION: Mr. Guillen moved to approve Council approval to amend the current Standards-based award language to Albuquerque Public Schools (APS) for Harrison Middle School to include Construction Phase funding for a replacement facility totaling 48,996 gross square feet (GSF) for 500 students, grades 6th through 8th, for a state match of \$9,356,723 (37%) and a corresponding local match of \$15,931,718 (63%). There being no opposition, the motion was approved unanimously.

APPROVED

VII. Other Business

A. Recertifications of SSTBs*

Mr. Ortiz joined in place of Ms. Padilla. Mr. Sallee presented the motion for the recertification of SSTBs. Ms. Iris Romero (PSFA, Executive Director) noted that it reflected the Finance department's work. Mr. Sallee mentioned that the current bond process created more work and suggested starting with new bonds and reverting if projects are underbudget. Ms. Romero suggested earmarking the full amount over the project's life. Mr. Sena highlighted issues with lingering projects and the need for better guidance and timelines for districts. Mr. Gonzales noted ongoing collaboration with PSFA to improve the process and tracking. The recertification and reconciliation of bond proceeds were discussed and approved.

MOTION: Mr. Guillen moved to approve Council approval to adopt the Resolution, Notification, Certification and Reconciliation of unexpended bond proceeds as follows:

- SSTB18SB 0001 – Decertification in the amount of \$3,7258,776 as a result of closed out projects.
- SSTB18SD 0001 – Decertification in the amount of \$5,238,148 as a result of closed out projects and awarded PSCOC projects.
- SSTB19SD 0001 - Decertification in the amount of \$135,215 as a result of closed out projects
- SSTB21SB 0001 – Decertification in the amount of \$420,640 as a result of closed out projects

APPROVED

There being no opposition, the motion was approved unanimously.

VIII. Informational

A. HR Staffing Update

Mr. Lourenco (PSFA, HR Manager) presented the executive summary and the key points. Mr. Lourenco discussed a new classification system from SPO aimed at compensating staff appropriately without over supplementing. This system was intended to attract new hires and retain existing staff. Mr. Sena inquired about positions that are always vacant, to which Mr. Lourenco responded that RPM and technical positions are challenging to fill, often requiring experienced hires. This challenge is partly due to the need for experienced hires and the agency's struggle to offer competitive market pay rates for these critical roles. No further questions were raised.

B. PSCOOTF Update

Ms. Iris Romero (PSFA, Executive Director) presented the executive summary, noting that oral arguments were scheduled for November 7. The Public School Capital Outlay Oversight Task Force (PSCOOTF) has met three times so far. An update on the Task Force's activities and upcoming legislative proposals was given.

C. Project Closeout Update

Ms. Melissa Ortega (PSFA, Financial Coordinator) presented the executive summary, introduced the finance staff members, and recognized their efforts. Mr. Guillen thanked the staff. Ms. Ortega updated the Council on all project closeouts, noting that due to CFO and financial staff turnover over the past four years, the project closeout process had not been maintained. Under the direction of Ashley Leach, Board of Finance Director and Chairwoman of the AMS subcommittee, PSFA staff prioritized closing out projects, documenting processes, and creating policy. Key factors considered included budget/contract analysis, accounts payable analysis, audit review by the lead auditor, and district participation. A total of 367 projects were closed, resulting in the reversion of \$16 million to the fund. No further questions occurred.


D. Status of Strategic Plan


Ms. Iris Romero (PSFA, Executive Director) presented the executive summary, noting the completion of the staff focus group and the upcoming Council focus group. In June 2024, the PSCOC approved a motion for the PSFA to engage with LEH Consulting Group, LLC to develop a comprehensive strategic plan. The current workplan was attached and outlined the progress made and future steps, with an estimated completion date of December 2024. The status of the strategic plan was discussed, with a Council focus group scheduled for late November.

IX. Next PSCOC Meeting – November 12, 2024

X. Adjourn

There being no further business to come before the Council, Mr. Ingham moved to adjourn the meeting, Mr. Sena seconded the motion. There being no opposition from the Council, the meeting was adjourned at 10:43 A.M.

 Chair

 Date

*Please Note: Italic in motions indicate amendments.
* Denotes Action Items on the Agenda*